

ECONOMIC COOPERATION: COUNTERPART FUNDS

Exchange of notes at Athens March 17 and 23, 1949
Entered into force March 23, 1949

Department of State files

The American Ambassador to the Minister of Foreign Affairs

AMERICAN EMBASSY
Athens, Greece, March 17, 1949

No. 132

EXCELLENCY:

I have the honor to refer to the conversations which have recently taken place between representatives of our two Governments relating to the obligations arising from the exercise of drawing rights made available to Greece pursuant to the Agreement for Intra-European Payments and Compensation of October 16, 1948 insofar as such drawing rights are attributable to U.S. dollar assistance furnished by the Economic Cooperation Administration to participating countries for the purposes of that Agreement.

1. To the extent that the Agent authorized to perform payments compensations pursuant to the Agreement for Intra-European Payments and Compensation utilized drawing rights established in favor of Greece, the Government of Greece will deposit commensurate amounts of drachmae in the special local currency account established under Article IV of the Economic Cooperation Agreement between Greece and the United States.¹

2. The amounts to be deposited shall be equivalent to the U.S. dollar value of drawing rights made available by participating countries and exercised in favor of Greece as communicated to the ECA by the agent. This value will be identical with the amounts of U.S. dollars allotted to such participating countries in order to obligate them to make such drawing rights available.

3. The rate of exchange governing the computation of amounts of local currency deemed equivalent to the dollar value of drawing rights as set forth in paragraph 2 above shall be the same as those governing deposits made in accordance with Article IV of the Economic Cooperation Agreement between Greece and the United States.

¹ Agreement signed at Athens July 2, 1948 (TIAS 1786, *ante*, p. 431).

4. Deposits of local currency made on notification pursuant to this exchange of notes shall be held and governed in accordance with all the terms and conditions applicable to deposits made pursuant to Article IV of the Economic Cooperation Agreement between the United States and Greece.

5. It is understood that obligations to deposit local currency in accordance with this note apply only in the case of drawing rights to which no obligations of repayment attach.

Please accept, Excellency, the renewed assurances of my highest consideration.

HENRY F. GRADY

His Excellency

CONSTANTINE TSALDARIS,
Minister of Foreign Affairs,
Athens.

The Minister of Foreign Affairs to the American Ambassador

No. 3621

ATHENS, March 23, 1949

EXCELLENCY,

In reply to Your Excellency's note no. 132 dated March 17, 1949 and referring to the conversations which have taken place on the subject between the representatives of our two Governments, I have the honor to inform Your Excellency that we agree to your above-mentioned letter.

Consequently, whenever your Agent mentioned in paragraph 1 of your letter utilizes drawing rights in favor of Greece, the Greek Government will deposit commensurate amounts of drachmae in the Special Drachmae Account to be opened, with the Bank of Greece, in execution of Article IV of the Economic Cooperation Agreement between Greece and the United States of America.

Above deposits will take place in conformity with the terms of Your Excellency's note no. 132 dated March 17, 1949.

Accept, Excellency, the renewed assurances of my highest consideration.

C. TSALDARIS

His Excellency

HENRY F. GRADY
Ambassador of the
United States of America
Athens